VZCZCXRO3494 PP RUEHFK RUEHKSO RUEHNAG RUEHNH DE RUEHKO #6814/01 3350817 ZNR UUUUU ZZH P 010817Z DEC 06 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC PRIORITY 8813 INFO RUEKJCS/SECDEF WASHDC PRIORITY RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY RUEAWJA/USDOJ WASHDC PRIORITY RULSDMK/USDOT WASHDC PRIORITY RUCPDOC/USDOC WASHDC PRIORITY RUEAIIA/CIA WASHDC PRIORITY RUEKJCS/JOINT STAFF WASHDC//J5// RHHMUNA/HQ USPACOM HONOLULU HI RHHMHBA/COMPACFLT PEARL HARBOR HI RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA// RHMFIUU/COMUSJAPAN YOKOTA AB JA//J5/JO21// RUYNAAC/COMNAVFORJAPAN YOKOSUKA JA RUAYJAA/COMPATWING ONE KAMI SEYA JA RUEHNH/AMCONSUL NAHA 1535 RUEHFK/AMCONSUL FUKUOKA 9048 RUEHOK/AMCONSUL OSAKA KOBE 2478 RUEHNAG/AMCONSUL NAGOYA 8623 RUEHKSO/AMCONSUL SAPPORO 0085 RUEHBJ/AMEMBASSY BEIJING 5073 RUEHUL/AMEMBASSY SEOUL 1169 RUCNDT/USMISSION USUN NEW YORK 2658

UNCLAS SECTION 01 OF 08 TOKYO 006814

SIPDIS

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA
WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION;
TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;
SECDEF FOR JCS-J-5/JAPAN,
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR;
CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: OIIP KMDR KPAO PGOV PINR ECON ELAB JA

SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 12//06

INDEX:

- (1) Bills to raise SDF overseas missions to primary duties and upgrade Defense Agency to Defense Ministry clear Lower House; Calls for permanent law expected to gain momentum
- (2) Sixth year of MSDF dispatch to the Indian Ocean: Provided 20.3 billion yen in free oil supplies; Results difficult to evaluate
- (3) JDA chief Kyuma hints at reducing the number of helicopter flights at Futenma but closing the base in three years seen as difficult
- (4) Editorial: Doubts and concerns not yet resolved over the bill upgrading the JDA to ministry status
- (5) Japan urged to make arrangements to deal with North Korea's nuke threat
- (6) Economic advisory panel studying abolishing requirement for companies to directly hire temporary workers
- (7) TOP HEADLINES
- (8) EDITORIALS

ARTICLES:

(1) Bills to raise SDF overseas missions to primary duties and upgrade Defense Agency to Defense Ministry clear Lower House; Calls for permanent law expected to gain momentum

ASAHI (Page 3) (Abridged slightly)
December 1, 2006

The Lower House approved yesterday a bill to raise the Defense Agency to ministry status and a bill revising the Self-Defense Forces Law to upgrade the SDF's overseas activities to primary duties. They are likely to clear the Diet in the ongoing session, and the nation is expected to have a Defense Ministry as early as January.

The SDF's overseas activities, currently defined as secondary duties, can be classified into five categories: (1) international disaster relief activities, (2) UN peacekeeping operations, (3) logistical support in contingencies in areas surrounding Japan, (4) activities under the Antiterrorism Special Measures Law, and, (5) activities under the Iraq Reconstruction Support Law. Once the legislation is enacted, they will be defined as main duties.

"The SDF has already conducted such activities as part of primary duties. Legislative steps are lagging behind reality," Defense Agency Director-General Fumio Kyuma explained by citing missions in Iraq and other countries.

At the same time, with the step to upgrade SDF activities, calls for a permanent law to make things easier for dispatching the SDF overseas are likely to gain momentum. Prime Minister Shinzo Abe is enthusiastic about enacting a permanent law that can eliminate the need for individual laws.

Some are wary of upgraded overseas missions altering the nature of the country's exclusively defense-oriented policy. "SDF duties would

TOKYO 00006814 002 OF 008

SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 12//06

change altogether," said Lower House Vice Speaker Takahiro Yokomichi after yesterday's plenary session, in which he voted against the bill.

An opinion emerged in yesterday's Lower House Security Committee meeting that the SDF would change with the revision of the law. Kyuma responded: "The SDF will not use force on overseas missions. You must not assume that they will become armed forces."

Kyuma also explained that by citing paragraph 1 of Article 9, the government was cautious enough to add to the bill the phrase, "in the scope which does not constitute the threat or use of force."

An increase in joint operations by the SDF and the US military might lead to exercising the right to collective self-defense, which is prohibited under the government's interpretation of the Constitution.

Abe is enthusiastic about reviewing the government's view of the right to collective defense. He also intends to establish a panel to reexamine the government's view.

In a Washington Post interview, Abe said in connection with peacekeeping operations: "Is it a violation of the Constitution to rescue attacked foreign troops who are working with Japanese troops side by side?" He has also unveiled a plan to study ways to relax the SDF guidelines on the use of weapons, which are currently allowed only for defending themselves and international organ workers under their control to cover foreign troops, as well.

(2) Sixth year of MSDF dispatch to the Indian Ocean: Provided 20.3 billion yen in free oil supplies; Results difficult to evaluate

MAINICHI (Page 1) (Excerpts) Eve., December 1, 2006

The Anti-Terror Special Measures Law, which supports the terrorist mop-up operations of the US, British and other countries in Afghanistan, was extended for another year in November, and the Maritime Self-Defense Force (MSDF) has now entered its sixth year of duty in the Indian Ocean. As of the 27th of last month, MSDF had

supplied fuel free of charge to warships of other countries a total of 700 times. What were the actual results of its maritime operations carried out 18,000 kilometers from Japan?

"We will return safely at the beginning of the Golden Week consecutive holidays (early May) next year." On Nov. 12, the MSDF supply ship "Towada" (8,100 ton class) set sail from its homeport in Hiroshima Prefecture. The captain, Masakazu Yamashita (54) gave this farewell message to the MSDF officers and the approximately 300 family members sending off the ship.

It would be about five months before the vessel would return to port. The Towada was making its sixth trip, and for many of the crew, this would be their fifth dispatch. In addition to the psychological and physical burden on the crew, the hardship imposed on their families also was great. Moreover, the MSDF has only five supply ships, so before and after the dispatches, the crews must also undergo training and equipping and the like for their regular duties.

The MSDF supply ships provide fuel and water cost free to US, UK and other foreign vessels on duty in the Indian Ocean. Their role is

TOKYO 00006814 003 OF 008

SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 12//06

that of an ocean going "gasoline stand. "

Over the past five years, a total of 55 MSDF vessels have been dispatched. The number of personnel involved in the operations totals 10,600. Fuel was delivered to vessels from 11 countries totaling 460,000 kiloliters (2.3 million oil drums). The MSDF vessels expended one year's time all together in the effort. The cost of the fuel provided over five years came to 20.3 billion yen.

However, the specific results of the assistance are difficult to visualize. The number of times a month for refueling has dropped from a high in May 2003 of 32 times to the current 13 times a month.

(3) JDA chief Kyuma hints at reducing the number of helicopter flights at Futenma but closing the base in three years seen as difficult

OKINAWA TIMES (Page 2) (Excerpts) December 1, 2006

(Tokyo) Defense Agency Director General Fumio Kyuma, appearing in the Upper House Foreign and Defense Affairs Committee, made this comment regarding removing the dangerousness of the Marines Corps' Futenma Air Station until it is relocated to a site on the shores of Camp Schwab in Nago City: "Perhaps there might be a way of changing the frequency of use a bit. I would like to give some thought to that." He thus hinted that he was thinking of studying the possibility of reducing the number of flights of helicopters attached to that base. On the issue of closing Futenma in three years, as promised by Hirokazu Nakaima during his campaign for prefectural governor, Kyuma said, "I don't think the US forces would give their OK to that," reiterating his view that it would be difficult.

Director General Kyuma, referring to Nakaima's campaign promise, stressed: "I would like to quickly remove the dangerousness of Futenma. I, too, fully understand and feel that I would like to set some kind of goal within three years and bring about a shrinking of its functions in a way for all to see. I will work on that now and into the future." He explained his view that it might be possible to consider setting a three-year limit if the goal were not "closing" the base but "removing its dangerousness."

(4) Editorial: Doubts and concerns not yet resolved over the bill upgrading the JDA to ministry status

TOKYO SHIMBUN (Page 5) (Full) December 1, 2006

The bill elevating the Defense Agency (JDA) to ministry status

passed through the Lower House. It is an important bill that includes upgrading the Self-Defense Forces' (SDF) overseas activities (from being a supplementary duty) to a primary duty. But doubts and concerns over the bill have yet to be resolved. We expect debate on the bill will proceed in a conscientious manner in the Upper House.

Fourteen hours and 20 minutes: That was the time spent for deliberations on the JDA upgrading bill in the Diet committee before it went to the Lower House for approval. The time for debate was too short, compared to the 100 hours of deliberations on the bill amending the Basic Education Law, even though the JDA bill was in

TOKYO 00006814 004 OF 008

SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 12//06

fact obscured by the tug of war between the ruling and opposition parties over the education bill. But the JDA bill could lead to a major change in Japan's national security policy.

JDA is an external agency attached to the Cabinet Office at present. Without approval from the prime minister, it cannot submit important issues directly to a cabinet meeting or make a budgetary request. That's why JDA has insisted on the need to be upgraded to a ministry so that it can act swiftly.

However, should a defense emergency occur, the first person to receive word would be the prime minister. It would be inconceivable to postpone it pending a cabinet decision. Given this, the purpose of the upgrading bill may be to save JDA's face as a government organization, as well as to raise the morale of the personnel.

We have other doubts, too. One concerns the Abe administration's move to create a Japanese-style National Security Council (NSC) and use the Prime Minister's Official Residence (Kantei) as the control tower for foreign and security policies. This new development seems to contradict the JDA bill, which aims to shift defense powers from the Kantei to the defense establishment?

Elevating JDA to a ministry status is nothing new; the idea has been around a long time. Until recently, however, it has not seen the light of the day. One reason is perhaps because of our nation's recollection of the military having had its own way in the prewar and wartime periods.

If so, why is it acceptable now to bring up that idea? If the government cannot explain the reason appropriately, it will naturally come under such criticism as capitalizing on the public crisis awareness caused by the North Korean nuclear issue, or the junior coalition partner New Komeito's insistence on enacting the bill by the end of the year in order to avoid the Upper House election next year.

More importantly, the bill will shift the SDF's overseas activities from a "supplementary duty" to "primary duty."

In other words, the bill allows the government to give its "approval" to operations of the SDF overseas, -- expanded now to cover the Indian Ocean and Iraq through passage of special measures laws. It allows the government to create a fait accompli. We find it difficult to understand that the Democratic Party of Japan (DPJ or Minshuto), which had previously demanded the removal of the SDF deployment in Iraq from the primary duties in return for it to approve the JDA upgrading bill, easily withdrew that demand.

There is analysis that by making overseas activities a primary duty, the government intends to give impetus to the move to create a permanent law enabling Japan to dispatch SDF troops as needed and thereby to expand the range of SDF activities. Should SDF operations go into areas leading to the use of force abroad, Japan will violate the Constitution, not to mention undermining the nation's defense-only policy.

JDA Director-General Fumio Kyuma has stressed: "No change will be made to the basics of the defense policy, such as "sole self-defense," not becoming a military power, upholding the three nonnuclear principles, and securing civilian control. A Diet

resolution adopted along with the passage (in the Lower House) of the upgrading bill states the need to thoroughly ensure civilian

TOKYO 00006814 005 OF 008

SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 12//06

control. This promise must be kept in the process of deliberations on the bill in the Upper House, and depending on circumstances, the Upper House should issue a warning if the promise seems about to be broken.

(5) Japan urged to make arrangements to deal with North Korea's nuke

YOMIURI (Page 13) (Full) November 30, 2006

North Korea's nuclear ambitions have posed a serious threat to Japan's national security. Japan must make necessary arrangements, assuming possible contingencies that might occur in the course of trying to defuse the North Korean nuclear confrontation or dealing with the nuclear threat.

In an effort to denuclearize North Korea, the US might launch a limited attack on the nation, but setting aside this option, there will be no other way but to depend on both dialogue and pressure. In the six-party talks, the five members of the six-party talks, excluding North Korea, should strengthen cooperation and produce specific results so that the North will begin to move toward denuclearization. To that end, it will be necessary for the countries concerned to toughen sanctions and containment measures against the North, and for China to exert its influence on that nation.

North Korea imports 80% of its crude oil and 30% of its food supply from China. Given this fact, China is considered to have enormous influence over the North, but China reportedly does not want to see North Korea collapse. Some take the view that since the ultimate purpose of Kim Jong Il's nuclear weapons programs is to ensure his regime's continuance, Kim will never scrap them.

In the process of pressuring the North to abandon its nuclear ambitions, there is a possibility of triggering a public security or military disturbances, or an exodus of refugees. Japan needs to consider what countermeasures to take, assuming such a crisis situation. It is also necessary to study the possibility of applying the law for emergencies near Japan and joining hands with the US military.

Assuming that Pyongyang might be brandishing nuclear threats with the aim of attaining its own purposes, Japan must prepare a system so that such threats will not have any effect.

First, Japan must upgrade its self-defense system. The government is making preparations to introduce a ballistic missile defense (BMD) system capable of shooting down incoming missiles. Japan should introduce the system as soon as possible by frontloading the project. To supplement this system, the US has brought some equipment into Japan. If possible, Japan should ask for more equipment to be deployed in our country.

Regarding a enemy-base strike capability, the government now takes the policy of relying on the US even for operations within the scope of self-defense allowed under the Constitution. In view of the current security environment, however, there may be a case in which Japan has to take action independently. Given this, it might be necessary for Japan to discuss the possibility of have certain functions, based on the principle of sharing roles between Japan and the US.

TOKYO 00006814 006 OF 008

SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 12//06

Second, it is important to further strengthen the Japan-US alliance. US deterrence, including the possibility of nuclear retaliation, is

absolutely necessary as means to prevent North Korea from carrying out reckless acts. The US has frequently confirmed its commitment to protect Japan, but Japan also should step up efforts to strengthen the Japan-US alliance by enhancing its own credibility as a partner.

It is also of utmost necessity for Japan and the US to improve their cooperative arrangements so that they will be able to effectively respond to contingencies. Specifically, both countries should work out a joint operation plan for times of emergency in Japan and a mutual cooperation plan for regional contingencies.

The issue of whether Japan is allowed to use collective self-defense is another urgent task. This issue initially should be settled by amending the Constitution, but imminent problems should be settled even if it means employing ingenuity. It is also necessary to reconsider the argument for banning as a violation of the Constitution those support activities that link the SDF to the US military's use of force, even if such are not operations that entail the use of force, such as transport of goods and personnel.

Japan's stance of depending on the US nuclear umbrella in dealing with nuclear threats remains unchanged. Nonetheless, since nuclear policy is closely related to national security, thorough discussion is necessary. For the time being, it might be necessary for Japan to fully discuss with the US what the United States' nuclear deterrence should be in the future.

(By Ken Sato, vice chairman of the Institute for International Policy Studies)

(6) Economic advisory panel studying abolishing requirement for companies to directly hire temporary workers

ASAHI (Top Play) (Slightly abridged) December 1, 2006

In a meeting yesterday, the government's Council on Economic and Fiscal Policy started discussion on a review of the current temporary staff employment system that requires companies hiring temporary workers to reemploy them as permanent workers after they work there for a certain period of time. This is a key element in the "Labor Big Bang" initiative, designed by the government to reform the labor market. In the meeting, private-sector members proposed abolishing or extending the maximum period of a contract. If the restriction on the contract period is removed, the obligation on companies to give permanent status to temporary workers will be abolished. The advisory panel will set up an expert group tasked with discussing a sweeping review of the Worker Dispatch Law.

Four private-sector members of the advisory panel, including International Christian University Professor Naohiro Yashiro and Nippon Keidanren (the Japan Business Federation) Chairman Fujio Mitarai, submitted a report titled, "Labor Big Bang and Second-Chance Assistance." As tasks to be considered now, the report proposes a review of the Worker Dispatch Law; an expansion of job categories for foreign workers; future options for the minimum wage system; and improvement in child-care service.

The focus of attention is on regulations pertaining to dispatched

TOKYO 00006814 007 OF 008

SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 12//06

workers. Under the current law, the maximum period of a contract for such workers is set at three years. Companies hiring temporary workers are obligated to employ them as permanent workers after they work there for a long period of time. Private-sector panel members pointed out that these regulations have destabilized the status of dispatched workers because companies tend to suspend the contracts with such workers in short a space of time in order to avoid the obligation to give them permanent status. They stressed that the removal of the maximum period of a contract will contribute to protecting the job security of dispatched workers.

However, there is the basic principle in the Labor Law specifying, "Companies' direct employment of workers should be the basic

principle."

The correction of unfair disparities is also cited as one purpose of the Labor Big Bang. The panel is expected to discuss easing the conditions for dismissing regular workers or lowering such workers' wages as part of efforts to narrow the disparities between permanent and nonpermanent workers in a variety of employment types.

The Japanese Trade Union Confederation is worried about the Labor Big Bang, one executive remarking: "Since discussion has been conducted without the presence of laborers, company-friendly measures may be worked out." It also remains to be seen how the new expert panel will reflect nonpermanent workers' views in their policy decisions.

Prime Minister Abe said in the meeting, "Reforming the labor market is a major challenge for the cabinet." He plans to have the expert panel conduct full discussion. The prime minister also intends to set up a cross-sectional study group and include a policy direction and timetable (for labor market reform) in the government's annual economic and fiscal policy guidelines due out next summer.

Private-sector members also suggested enhancing the quality of services at Public Employment Security Office institutions by introducing the market testing system designed to increase the efficiency of services at government offices through competitive bidding between the public and private sectors. The Ministry of Health, Labor and Welfare is opposed to the proposal, citing the International Labor Organization (ILO) Treaty.

But private-sector member refuted that if the transfer of some services to the private sector while main public networks are maintained does not infringe on the treaty.

(7) TOP HEADLINES

Asahi:

CEFP considers eliminating corporate obligation to shift the status of part-timers to regular employees after a certain period

Mainichi:

Council on Revitalization of Education drafts a program for students and parents to evaluate teachers

Yomiuri:

Reform of Social Insurance Agency: Ruling camp proposes shifting power of collection to MHLW

Nihon Keizai:

US reconsiders excessive internal control to lighten corporate

TOKYO 00006814 008 OF 008

SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 12//06

burdens

Sankei:

LDP constitutional panel proposes allowing people 18 or older to vote in national referendums

Tokyo Shimbun:

V-shaped pair of airstrips planned in Nago: Two-way landings in an emergency likely to be allowed in response to US request

Akahata:

Revising the Basic Education Law for worse promoted by MEXT office involved in prearranged questions for town-hall meetings

(8) EDITORIALS

Asahi:

- (1) Murakami pleads not guilty(2) 15th Asian Games in Doha

Mainichi:

(1) Raising Defense Agency to ministry comes with heavy responsibility

(2) Murakami trial: Restoring market trust not an easy task

Yomiuri:

- (1) DPJ made right decision on defense ministry bills(2) Murakami trial: "Guilty statement" hard to forget

Nihon Keizai:

- (1) Cooperating with NATO essential for preventing terrorism
- (2) Windows Vista not free from problems

Sankei:

- (1) Cross-party agreement on defense ministry laudable(2) Murakami Fund scandal requires thorough probe

Tokyo Shimbun:

- (1) Questions and concerns still remain about defense ministry bills
- (2) Murakami trial a chance to consider social disparities

Akahata:

(1) Defense ministry bills trampling on Constitution must be scrapped

SCHIEFFER